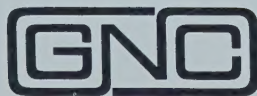


The Test of Time



HOME SMITH LIMITED

a division of
Great Northern Capital
Corporation Limited

Home Smith Limited

A division of Great Northern Capital
a diversified Canadian company
developing residential communities
leisure communities and commercial properties
in these locations

Alberta
British Columbia
Manitoba
New York
Ontario
Pennsylvania
Saskatchewan

CONSULTING SERVICE

The services of our construction, design, planning, project management and marketing teams are available to clients as consultants for the development of residential, leisure and commercial properties.

Changing Life Styles

Life styles are changing rapidly and so are housing needs. Eighty percent of our population will soon be urban dwellers living within 90 miles of our cities. Many will commute by high-speed trains or air cushion vehicles.

Families will be smaller with both parents working, thus providing a high family income. Much more leisure time will be available for self-improvement and recreation and we will be more concerned with broadening the scopes of our lives and our environment.

A smaller proportion of total family income will be allocated for permanent shelter and extra funds redirected to the purchase of a leisure home or the jumbo jet vacation in Switzerland or the Caribbean.

Rapidly escalating land values and municipal servicing costs will preclude the traditional urban sprawl of single-family homes. The future urban environment will consist of clusters of multiple dwelling buildings in park like settings. They will include day-care centers, nursery schools and recreational facilities. These increasing densities will challenge the housing industry to maintain the privacy and quiet essential for family living.

To remain competitive, building systems will be necessary to produce more efficient accommodation through improved engineering technology.



Home Smith Management, 1929.



Etobicoke boundary sign at The Old Mill area.

Beginning- Ontario, 1910

Home Smith is developing the last 75 acres of a 3,000-acre land assembly in Etobicoke which it acquired in 1910. It has stood the test of time through two World Wars and a major depression.

Responding to changing markets, it began with substantial Tudor-style homes and will be completed with 1,000 apartments in seven high-rise buildings on the remaining lands. The company's development manager in Etobicoke has guided the company's operation since 1929 when it was the core of a community of 14,000. Etobicoke has grown to a mature community of more than 266,000 with the original Home Smith Kingsway area considered as the most attractive in the Toronto Borough.



A Kingsway home.

Etobicoke
Oakville
Markham
Burlington

*The administration building of
Home Smith Limited in the
Kingsway area of Etobicoke was
built in 1929.*



*Glen Abbey Golf and Country Club,
focal point of the future Glen Abbey
Community, Oakville, Ontario,
Canada.*



*Family-living on wooded ravine,
Markham, Ontario, Canada.*



Creation of residential communities like those we developed in Etobicoke depend on sound long-term investment in large land assemblies based on imaginative concepts designed for future housing markets, plus a competent and experienced organization that can bring these dreams to reality.

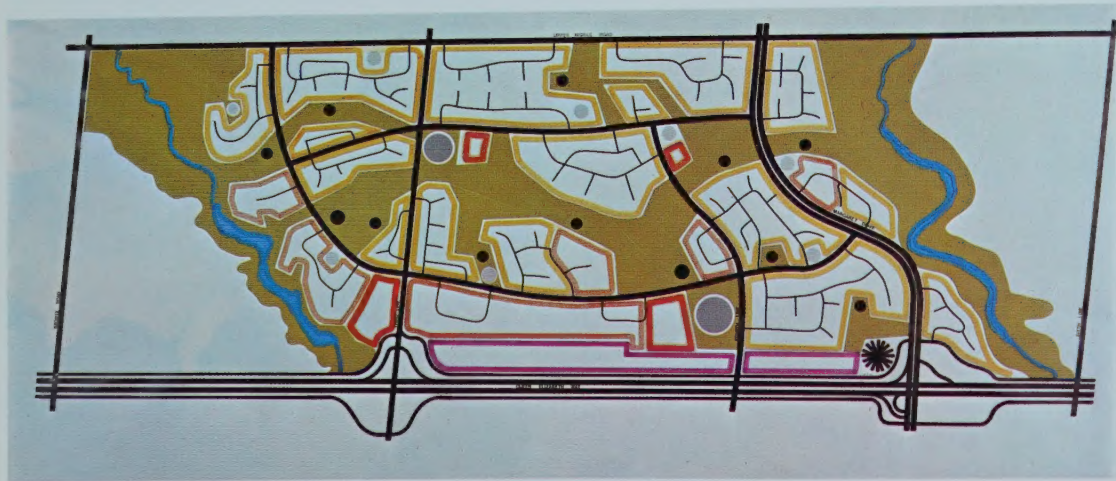
We have accomplished this objective by assuming the role of Community Builder. We apply proven techniques of planning and financing to develop a balanced mix of urban needs—residential, commercial and industrial, public and institutional facilities as well as amenities not normally found in new suburban developments—while being sensitive to local feelings about the use of the land.

We believe that future developments in the next decade will need to be conceived in terms of wholes—determined on the basis of essential physical, social, economic and human needs, and ecology.

Buildings do not make communities—people do. We recognize that newly-developing areas require careful attention to sociological needs, that esthetics are just as important as structures.

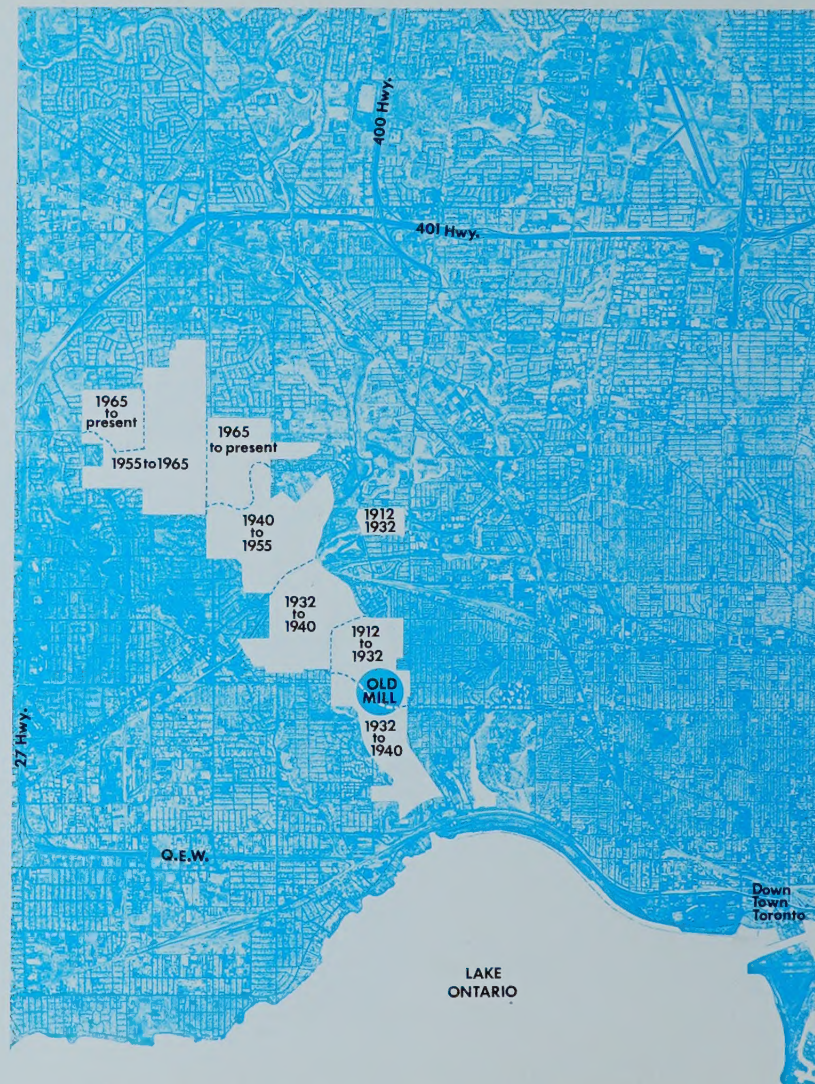
Viable communities require citizens of all income levels to service the communities' needs and we intend, therefore, to provide housing for everyone.

We believe that the soundest type of real estate investment for private capital is in the long-term development of large, contiguous land assemblies. The urban environment can be fully controlled and tailored to changing market conditions and income properties can be retained to stabilize annual earnings. Essential to long-term investment is careful analysis of cash flow, discounted future earnings related to dollars invested today, and the company's ability to carry fixed financial commitments during periodic economic recessions.



*A total-community plan by
Home Smith*

Community Builder



Sixty years of staged development of 3,000 acres in Etobicoke, Ontario, Canada.



Home Smith community design preserves natural beauty of the land.

Home Smith recognizes the need for recreational facilities in all their planned communities.



Humber Shopping Center, one of Canada's first, was built by Home Smith in 1954 to serve the needs of residents in their Humber Valley community of Etobicoke.



Sherwood Park

Alberta,

Satellite

Town



In 1956, the company made a substantial capital investment to create Sherwood Park, a 2,700 acre satellite community, 5 miles east of Edmonton. Canada's first satellite community under development, Sherwood Park was ahead of its time, making it necessary for the company to build 300 homes to encourage people to move from the city.

Additionally, the firm built an 18-hole golf course and clubhouse with a four-sheet curling rink adjoining.

A portion of the 12,000-population community.

*2,000-seat community arena,
Sherwood Park*



Today, Sherwood Park is about 50 percent complete and has a population of 11,000 persons in 2,500 homes, mostly single-family dwellings. Amenities include an ice arena and recreation center, a modern shopping center and a regional high school, elementary and junior high schools, churches and a regional school for retarded children.

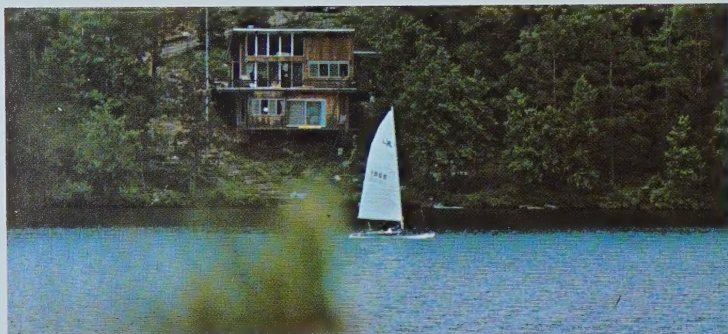
The community has a large Senior Citizens' residence even though Sherwood Park residents are young families. Another sign of growing with the times is that single-family dwellings are now being joined by condominium and rental townhouses and apartments.

*Sherwood Park is a viable community
with citizens of all ages.*



*Initially Home Smith provided the
community fire hall.*

Hemlock Farms



Year-round recreational facilities are available.





Map of Hemlock Farms.



Anticipating the future market for leisure properties, the company purchased Hemlock Farms in 1963. This second-home community is in Pennsylvania's Pocono Mountains, 90 miles west of New York City, and is adjacent to 26,000 acres of game-filled state forest lands.

Extensive improvements were made in the 4,500 acre private community. Planning and development of road systems, a central water system, fire and protection services were necessary.

Recreational facilities now include playgrounds, swimming pools, beaches, tennis courts, fishing, sailing, skiing and miles of bridle trails. Hemlock Farms is the site of Lord's Valley Country Club, a private membership club under company management. It has a dining room, bar and lounge, a 120-foot heated swimming pool and an 18-hole golf course.

Approach to Lord's Valley Country Club.

Hemlock Farms' teenagers assisted Parents' Magazine in designing a prototype Youth Center in 1968. The new 2,300 square foot center, operated by the teenagers, has two large rooms for dancing, games, table tennis, billiards, television and hi-fi; a circular sunken fireplace; and a complete kitchen.



Leisure Properties

Pennsylvania

New York



*Location of Home Smith leisure
properties.*



The Teen Center is part of one of the community's recreational areas and is adjacent to an outdoor swimming pool, a baseball field, basketball court and playground.

About 2,000 half-acre, fully developed and serviced homesites have been sold and more than 600 homes built.

Hemlock Farms is a private community and looks to local government for few services other than education.

In 1969, Home Smith purchased Lake in the Clouds, a resort community, 1,800 feet above sea level in the Pocono Mountains and 35 miles from Hemlock Farms. At the same time, the company purchased Rainbow Lake Club, a small vacation community in northern New York's Adirondack Mountains, and The Headlands, seven miles north of Plattsburgh, New York, on Lake

Champlain. The Headlands, a year-round community, contains a 20,000 foot shoreline.



4,500-acre Hemlock Farms community is 50 per cent complete.



The teen center of Hemlock Farms.

Commercial Properties

In August, 1969, the company purchased the Toronto Professional Building in downtown Toronto. The home of many medical and dental specialists, it also contains Great Northern Capital's head office.

Over the past few years the downtown Toronto office market has exhibited extremely strong characteristics and it is expected that this trend will continue. In keeping with a desire to strengthen the original investment, Home Smith has subsequently acquired land adjacent to the Toronto Professional Building.



Downtown Toronto.



Toronto Professional Building.

Preliminary planning has been carried out for the development of a 27-storey office tower. The new building will contain approximately 275,000 sq. ft. of office space. On

completion of this structure, the company will have ownership of the entire block of land and, within the two buildings, a total office space of approximately 450,000 sq. ft. together with parking and commercial facilities related to these two buildings.

In February, 1970, the company concluded an appraisal of a potential project in southwest Calgary and acquired a site suitable for the construction of an office centre on the MacLeod Trail.

Construction of the first building of the two-phase development, an 8-storey structure providing 65,000 sq. ft. of office space and 8,000 sq. ft. of commercial premises, began in late 1970.



Proposed Toronto development.



Chinook Center Calgary, Alberta, Canada.

Income Properties



*Heritage Square, Markham;
Home Smith's 54-unit rental
townhouse project.*



*A typical house built by Home Smith
in the Kingsway area, Etobicoke.*

In the initial stages of Etobicoke, Sherwood Park, and Hemlock Farms, the company constructed large numbers of homes. We re-entered the construction field in 1969 with the completion of the 54-unit Heritage Square rental townhouse project in Markham. This follows

the company's plan to retain revenue-bearing properties. Further projects are planned including the unique redevelopment of lands around the company's famous and respected restaurant, The Old Mill, which opened in 1914 on the banks of the Humber River. This project will consist of 100 Executive condominium townhouses with underground parking and several boutiques.

*Executive Condominium townhouses
planned for the Old Mill, Etobicoke.*



Home Smith and Golf Courses

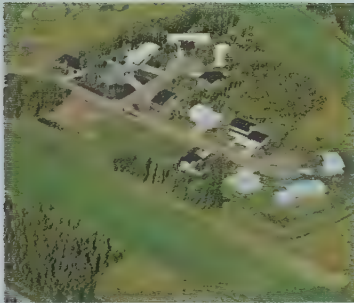
The company sees golf courses as good recreational facilities around which communities can be developed and to create attractive settings for neighboring homes. The purchase of Glen Abbey Golf and Country Club in Oakville was made so that it will be one of the focal points in the company's plans to develop a total planned community of about 1,000 acres in the mid-Seventies. Studies of housing needs and tentative planning are underway.

Consistent with the company's philosophy, first residents of the Glen Abbey community will be able to join with the present members in the enjoyment of the golf, swimming, skiing and social activities.

Glen Abbey is the fifth golf club with which companies of Home Smith Limited have been associated. In addition to Sherwood Park and Hemlock Farms' courses, Home Smith built St. George's in 1929 while developing Etobicoke. It was sold to members in 1962.

One of Canada's first public courses, the original Humber Valley, was built by the company in 1921 and taken over by Metropolitan Toronto in the mid-Fifties.

Alberta



Sherwood Park homes nestled between fairways of Broadmoor Golf Course.

Ontario



Glen Abbey clubhouse, Oakville.

Pennsylvania



Lord's Valley Golf & Country Club, Hemlock Farms.

Ontario



St. George's Golf Club.

Co-Operation with Government

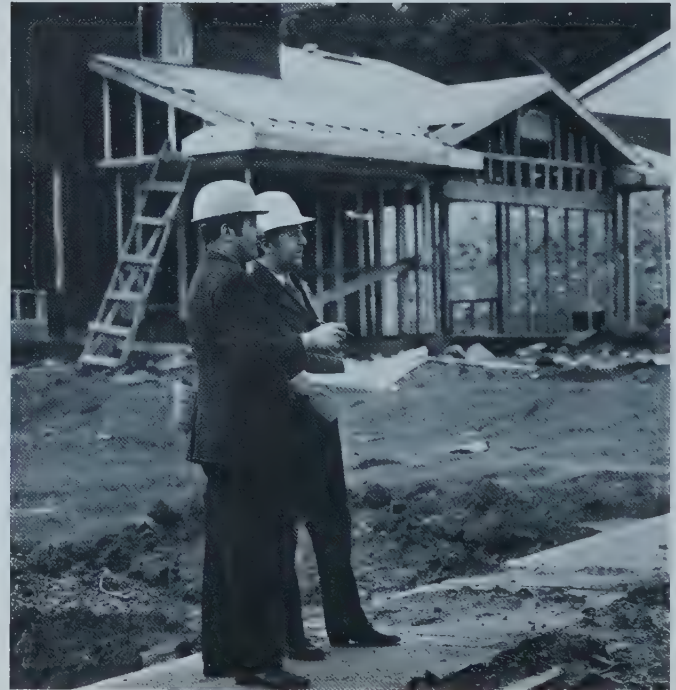
Burlington Mayor George Harrington inspects Home Smith's latest development plan for Brant Hills Estate with Eric Vincent, project manager, and Malcolm J. Wardman, Eastern Canada general manager, Home Smith Properties Limited.



We have learned from our experience in the development of our Markham and Burlington projects that existing communities can best expand incrementally by close partnership between the private development company and the municipal government. In this way, community expansion is controlled within the economic municipal tax base which permits the addition of new libraries, arenas,

etc. Controlled expansion close to the site of local businesses permits them to operate in a healthier economic climate. The most important benefit is the contribution of the talents of those who settle there.

In Markham, the company has developed half of its 600 acres of residential and industrial lands



On site at Brant Hills Estate

since 1964. Markham was a village of 3,000 in a rural setting with little in the way of services. With the financial assistance of our company, Markham has grown to a town of 10,000 with a full range of municipal services. This was possible through the balanced development of industrial and residential properties, stabilizing the tax base and the ratio of debenture debt to property assessment.

In 1964, the company assembled about 650 acres of land in Burlington anticipating the movement of families from the Toronto and Hamilton areas. Over 100 acres have been developed. Within six years our Brant Hills community is expected to have a population of 13,000.

At Saskatoon, Saskatchewan, the company has majority interest in the 262-acre River Heights development which is more than half complete. A project at Tsawwassen, south of Metropolitan Vancouver, is virtually complete.

Home Smith is a living member of the communities it develops through its corporate interest in the communities by sponsoring or assisting necessary projects. We require project managers to reside within the communities of Etobicoke, Markham, Burlington, Oakville, Sherwood Park and Hemlock Farms so that they will be sensitive to the needs of the communities.



A recent 150,000 sq. ft. plant in Markham's Industrial Park which was developed by Home Smith.

System Building

Lower cost housing can be provided only with improved and less expensive methods of building. Home Smith has developed and proven a method of precasting concrete components on-site. We used this system approach to build Canada's first completely pre-cast high-rise, the 15-storey,

222 suite Towers of Polo Park in Winnipeg. The system has proven to be fast and economical, even under Canadian winter construction conditions.

Lower costs resulted from less overall skilled labor content and reduced construction time.



The Towers of Polo Park.

Rear wall and basement panel being lowered into place.



Roof lowered into position 15 hours after start of construction completes house frame.

Following this success we have adapted the system for townhouses and detached single-family dwellings. It offers many structural and construction advantages while providing substantial savings in time, materials, labor and maintenance costs.

Home Smith is using the system to build different-style homes on some of its properties in Canada.

Designed for projects producing a house a day, the prime purpose is to make high-quality homes available for middle-income families.

Ready to move in 4½ days after start of construction.



A Home Smith planning team.



Future Markets

In the year 2000, North America will probably have at least three Megalopolises. One will stretch from Boston to Washington, another from Chicago along the north shore of the Great Lakes to Toronto and Montreal and a third from San Francisco to San Diego. Eight out of ten Canadians will

live in urban centers by 1980 with six out of ten concentrated in 29 major cities. Montreal and Toronto will each have well over three million inhabitants and Vancouver more than a million. Winnipeg, Ottawa, Edmonton, Calgary, Hamilton and Quebec City will

have a total of 3,600,000. Almost one-half of these centers lie in the Great Lakes Megalopolis.



Twenty-five percent of all Canadian housing starts are in the Toronto-Hamilton area. This will increase according to the Ontario Government's recent "Design for Development" plan. This plan provides for urbanization being directed into a two-tier corridor of cities between Hamilton and Bowmanville, connected by expressways and commuter trains and separated by a

one-mile wide greenbelt.

Home Smith's lands in Markham, Etobicoke, Oakville and Burlington comprise 2,000 acres strategically located within the concept of the Ontario Government's plan.

The Company's total land holdings for urban development in a contemporary manner within the next 15 years total over 2,800 acres. This will supply accommodation for 50,000 people.

In the leisure property field, the company has 2,300 acres of ideal vacationland at Hemlock Farms, nearby Lake in the Clouds, and the two northern New York sites, The Headlands and Rainbow Lake Club. These properties are within easy reach of 35 million North Americans.

Tradition is valid only if it takes its cue from the times it serves. Sixty years of experience, coupled with competent aggressive management, ensure that our communities of tomorrow will also stand the test of time.



GREAT NORTHERN CAPITAL
CORPORATION LIMITED

Divisions
HOME SMITH LIMITED

Subsidiaries
Home Smith Properties Limited
Home Smith International Limited

GNC INDUSTRIES LIMITED

Canadian Cutting and Coring
Limited
Columbia Forest Products Limited
Delro Industries
Diamond Clay Brick Products
Dormond Industries
Midwest Diesel & Equipment
Midwest Drilling Company
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